



MONTANA OFFICE OF TOURISM | DEPARTMENT OF COMMERCE

SENATE FINANCE & CLAIMS³

Exhibit No. 4

Date 4-2-11

Bill No. HB 316

April 1, 2011

Dear Senate Finance and Claims committee members:

The Tourism Advisory Council (TAC) is a gubernatorially appointed committee of tourism related representatives whose focus is to help maintain a healthy sustainable tourism industry in the state of Montana. The TAC represents Montana's tourism interests and asks that you please vote in opposition to House Bill 316 –Redistribute certain revenue and income, sponsored by Representative Rob Cook, as this would reduce funding for tourism promotion.

Tourism is one of the state's basic industries. As such, we bring new money into the state which is essential to thousands of small businesses in all areas of the state, urban and rural alike. A recent consumer advertising conversion study showed the following results of the efforts of our statewide advertising efforts.

- Awareness of Montana as a travel destination in advertising markets rose by 37%
- Consumers aware of the advertising were three times more likely to plan travel than those unaware of the advertising
- Consumer advertising generated approximately 416,000 incremental trips, resulting in an additional \$424,000,000 in visitor spending in the economy of Montana.
- For every bed tax dollar invested into the Montana Office of Tourism's targeted campaigns, visitors spent \$104 in Montana. That is a doubling of the Return on Investment (ROI) in 5 years.
- For every bed tax dollar invested in advertising, \$4.53 is returned to the state's general fund.

The fiscal note on House Bill 316 as introduced states \$1,209,071 would be taken from the Department Commerce Promotion Division. Based upon the returns demonstrated above, this bill would therefore result in a net loss to the state general fund of \$4,268,021. As business people, the TAC believes that it does not make sense to reduce funding to an area that is actually bringing new money into the state. This new money reduces the need to tax our citizens.

We would also like to remind the legislature that in 2003 the lodging industry was one of the few industries that had an additional 3% Lodging Facility Sales Tax placed on it with all of those funds going directly to the general fund. The better that the tourism industry does, the better the general fund does ultimately.

Please do not pass House Bill 316. Please feel free to contact me if you have further questions at 406-226-9220 Thank you for your consideration.

Sincerely,

Ed DesRosier, Chairman
Tourism Advisory Council

P.O. Box 200533 | 301 S. Park Ave.

Helena, MT 59620-0533 | 406.841.2870 phone | 406.841.2871 fax | visitmt.com

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Brian Schweitzer, Governor